

Why is retirement often more costly for married women than for married men?

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We may be in the midst of the much-touted baby boomer retirement wave, but the data show that boomers are staying in the workforce longer than previous generations. BLS [projects](#) people 55 and older will make up a growing proportion of the labor force from 2014 to 2024. Despite this growth, women, particularly married women, still tend to exit the workforce earlier than men do, according to “[The return to work and women's employment decisions](#)” (National Bureau of Economic Research Working Paper No. 24429, March 2018). In her study, Nicole Maestas uses data from the [Health and Retirement Study](#) to show that younger retirement is costly for women and staying in the labor force later in life provides greater returns for married women than for married men.

Maestas compares the employment and earnings outcomes for married men and married women in two cohorts—those born from 1936 through 1947 and those born from 1948 through 1959. She finds that individuals in couples tend to retire at around the same time. A majority of women are married to older men—69 percent in the early cohort and 63 percent in the boomer cohort—with the average age difference being about 2.5 years. Consequently, many married women retire at younger ages than their husbands.

This may seem contrary to expectations because women have longer life expectancies and their careers often are shorter due to family caregiving responsibilities. Additional work beyond age 62 compensates for time spent outside the labor force earlier in their lives. Younger retirement of married women is costly for at least two reasons: 1) they lose what would typically be their peak earnings years just as they retire, and 2) they lose accruals to Social Security wealth. Maestas notes that “the potential gain in Social Security wealth alone is enough to place married women on nearly equal footing with married men in terms of Social Security wealth at age 70.” Further, married women tend to retire before 65 and face the additional cost of purchasing health insurance from the time they retire until they would be eligible for Medicare at 65. Married men, by working until at least age 65, do not face this same set of challenges.

The author points to one prevailing reason for joint retirement: women place greater value on leisure time spent with family than on continuing to work during what could have been their peak earning years. She suggests that, by placing greater value on having time with family, married women decrease their financial well-being as well as that of their husbands.